



OFFICE OF ATTORNEY GENERAL
CONSUMER PROTECTION AND ANTITRUST DIVISION
GATEWAY PROFESSIONAL CENTER
1050 E INTERSTATE AVENUE, STE 200
BISMARCK, NORTH DAKOTA 58503-5574



701-328-5570 (Telephone)
701-328-5568 (Facsimile)

STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL

STATE OF NORTH DAKOTA EX REL.
WAYNE STENEHJEM,
ATTORNEY GENERAL,

Petitioner,

-VS-

**AMERICAN UNITED ENTERTAINMENT
LLC; GREAT AMERICAN CIRCUS OF
STARS; CAROL KING**, also known as
JUDY J. KAYE and **CARRELL J. KAYE**,
Individually; and **JESSICA JANI**,
Individually;

Respondents.

**CEASE AND DESIST ORDER,
NOTICE OF CIVIL PENALTY
AND NOTICE OF RIGHT
TO REQUEST A HEARING**

CPAT 090339.001

To each of the individuals and entities identified below (hereinafter collectively
"Respondents"):

American United Entertainment LLC

PO Box 18
Gainesville, TX 76241
c/o
GG International
7260 W. Azure Dr. Ste. 140-212
Las Vegas, NV 89130-4413

Great American Circus of Stars

PO Box 23
Gainesville, TX 76241
P: 940-665-1133
F: 940-665-5333

Carol King

aka Judy J. Kaye
aka Carrell J. Kaye
704 S. Weaver
Gainesville, TX 76241
and
PO Box 18
Gainesville, TX 76241
and
PO Box 23
Gainesville, TX 76241
P: 940-665-1133

Jessica Jani

PO Box 18
Gainesville, TX 76241
and
PO Box 23
Gainesville, TX 76241

(including all of those entities' officers, directors, owners, agents, servants, employees and representatives as well as all other persons in active concert or participation with them, extending to all "doing business as" names, formal corporate names, fictitious names of any kind or any variations of the same)

BACKGROUND

1. The Attorney General of North Dakota has a reasonable basis to believe Respondents have engaged in and are engaging in acts or practices declared unlawful by N.D.C.C. ch. 51-15, commonly referred to as the "Consumer Fraud Law." It is necessary and appropriate in the public interest and for the protection of consumers to restrain the Respondents' unlawful acts or practices.

2. Respondents, individually and by and through their agents, are either doing business under some or all of the names identified above or, in the alternative, are engaged with those persons in a combination of two or more persons who have agreed to act together to inflict a wrong or an injury upon another, or who have agreed to act together to commit a lawful act using unlawful means to inflict a wrong or injury upon another, namely violation of North Dakota's Consumer Fraud Law. In doing so,

Respondents have committed acts in pursuit of the agreement and the agreement has proximately caused damage to North Dakota consumers.

3. Respondents are doing business in North Dakota under the names American United Entertainment LLC and Great American Circus of Stars. Respondents are in the business of advertising, soliciting, and selling merchandise, including circus performances, in the State of North Dakota. Respondents primarily solicit customers through telemarketing.

4. American United Entertainment LLC has used the mailing addresses of PO Box 18, Gainesville, TX 76241 and PO Box 23, Gainesville, TX 76241. Great American Circus of Stars has used the mailing address of PO Box 23, Gainesville, TX 76241. Neither American United Entertainment nor Great American Circus of Stars are registered with the North Dakota Secretary of State or the Texas Secretary of State. American United Entertainment LLC is registered with the Nevada Secretary of State as a Domestic Limited Liability Company, but its current status is listed as revoked. GG International located at 7260 W. Azure Dr. Ste. 140-212 is listed as American United Entertainment LLC's registered Agent. Respondent Carol King also known as Judy J. Kaye and Carrell J. Kaye (hereinafter "King") resides at 704 S. Weaver, Gainesville, TX 76241 and has used the mailing address of PO Box 18, Gainesville, TX 76241. Respondent Jessica Jani is allegedly residing in Budapest, Hungary, but upon information and belief has used the address of PO Box 18, Gainesville, TX 76241.

5. Respondents have been the subject of North Dakota consumer complaints. Respondents have solicited and conducted circus performances in North Dakota. In June 2009 King called and solicited two North Dakota cities, Park River and Grafton, on behalf of Respondents. King misrepresented that a percentage of the gate

ticket sales of each performance would be given to the cities if Respondents were allowed to perform their circus in the cities. Respondents never paid the cities of Park River and Grafton their portion of the gate ticket sales. In one instance Respondents left during the night to avoid paying the city its portion of the gate ticket proceeds. Petitioner alleges that Respondents never intended to pay any portion of the gate ticket sales and developed a deceptive scheme, based on false promises and misrepresentations, to perform in the cities of Park River and Grafton and not share a portion of the Respondents' gate ticket proceeds.

6. The Attorney General called King on November 23, 2009 to discuss the complaints against Respondents. King stated that she had called and made solicitations in North Dakota on behalf of the Respondents, and confirmed her residence at 704 S. Weaver, Gainesville, TX 76241 and her mailing address of PO Box 18, Gainesville, TX 76241. King stated that the President of American United Entertainment was Jessica Jani (hereinafter "Jani"). King stated that she could not contact Jani regarding the complaints filed with the Attorney General because Jani had moved to Budapest, Hungary. Nevertheless, King was expecting Jani to contact her in the following spring to schedule more circus performances. The Attorney General advised King that Respondents were required to pay the North Dakota cities their percentage of the gate ticket sales, and if King was unable to contact Jani, King would be required to pay the proceeds personally. Respondents did not provide the North Dakota cities their percentage of the gate ticket sales. On April 1, 2010 the Attorney General wrote King and requested that Respondents resolve the complaints filed against them within thirty (30) days. Respondents did not provide a response to the Attorney General. On May 6, 2010 the Attorney General called King and left a message

for her to contact the Attorney General to discuss the complaints against Respondents and the status of their refunds. Respondents did not return the Attorney General's call, and on May 12, 2010 the Attorney General again called King to discuss the complaints. On May 12, 2010, while discussing the consumer complaints King confirmed that the complainants had not been paid, and that she had notified the Respondents about the complaints. When asked when the complainants would receive a refund King was nonresponsive and terminated the call.

7. Respondents have made untrue, deceptive and misleading representations, and/or have made or engaged in deceptive acts or practices, fraud, false pretenses, false promises or misrepresentations with the intent that others rely thereon, in violation of N.D.C.C. ch. 51-15, the Consumer Fraud Law.

8. Respondents, pursuant to N.D.C.C. § 51-15-02.3, are facilitating and assisting persons engaged in deceptive acts or practices and are in violation of North Dakota law, including N.D.C.C. ch. 51-15.

9. Each of the Respondents is engaged in a combination of two or more persons who have agreed to act together to inflict a wrong or an injury upon another, or who have agreed to act together to commit a lawful act using unlawful means to inflict a wrong or injury upon another, namely violation of North Dakota's Consumer Fraud. In doing so, Respondents have committed acts in pursuit of the agreement and the agreement has proximately caused damage to North Dakota consumers.

10. Respondents are liable for their own misconduct and/or for directing others to engage in misconduct. See *e.g. Zimprich v. North Dakota Harvestore Sys., Inc.*, 419 N.W.2d 912, 914 (N.D. 1988); *Rickbeil v. Grafton Deaconess Hosp.*, 23 N.W.2d 247, 257 (N.D. 1946)("The general rule with reference to this feature is

considered and set out in the great series of volumes of jurisprudence familiar to the courts. In 52 Am. Jur. 440, this rule is stated, 'It is a conceded general rule that all persons or entities are liable for torts committed by them, or by their agents while acting within the scope of their duties.'").

11. Respondents who are natural persons will additionally be subject to personal liability for corporate misconduct. *Hilzendager v. Skwarok*, 335 N.W.2d 768 (N.D. 1983)(quoting *Schriock v. Schriock*, 128 N.W.2d 852, 866 (N.D. 1964)("... but, when the notion of legal entity is used to defeat public convenience, justify wrong, protect fraud, or defend crime, the law will regard the corporation as an association of persons.' Fletcher, Private Corporations Sec. 41 (1963 rev. vol.)."). The crime/fraud exception to the protections of corporate form has long been recognized in North Dakota, "neither law nor equity will ever recognize the right of a corporate entity to become the receptacle or cover for fraud or wrong based on deception for the purpose of defeating the right of innocent parties." *McFadden v. Jenkins*, 169 N.W. 151, 163 (N.D. 1918). See also *Danks v. Holland*, 246 N.W.2d 86 (N.D. 1976); *Family Center Drug v. North Dakota St. Bd. of Pharm.*, 181 N.W.2d 738, 745 (N.D. 1970).

ORDER

NOW, THEREFORE, IT IS ORDERED pursuant to N.D.C.C. § 51-15-07 that Respondents, their agents, servants, employees, contractors, representatives (extending to all "doing business as" names, formal corporate names, aliases, fictitious names of any kind or any variations of the same) as well as all other persons in active concert or participation with them, whether directly or indirectly, immediately **CEASE AND DESIST** from: 1) advertising, soliciting or selling services and or merchandise, as defined N.D.C.C § 51-15-01(3), to North Dakota consumers, including circus

performances; 2) soliciting using untrue, deceptive or misleading representations to consumers or engaging in deceptive acts or practices, fraud, false pretenses, false promises or misrepresentations with the intent that consumers rely thereon, in violation of N.D.C.C. § 51-15-02; 3) soliciting or accepting any payment from a North Dakota consumer; and 4) engaging in telephone solicitations in North Dakota.

YOU ARE NOTIFIED that pursuant to N.D.C.C. § 12.1-09-03 a person is guilty of a criminal offense if he or she intentionally "alters, destroys, mutilates, conceals, or removes a record, document, or thing with intent to impair its verity or availability" in an official proceeding. As such, intentional destruction of any documents related to this matter may result in criminal prosecution

NOTICE OF CIVIL PENALTIES

YOU ARE FURTHER NOTIFIED that pursuant to N.D.C.C. § 51-15-07 any violation of this Cease and Desist Order is subject to civil penalties not to exceed \$1,000 per violation. Any violation of this Order that also is a violation of N.D.C.C. ch. 51-15 may result in additional civil penalties of not more than \$5,000 per violation. Such penalties are separate and in addition to any civil penalties, costs, expenses, investigation fees, and attorney fees pursuant to N.D.C.C. ch. 51-15 or any other applicable statute. Nothing in this Order is intended to limit or waive any rights and remedies available to the State of North Dakota or consumers.

NOTICE OF RIGHT TO REQUEST HEARING

YOU ARE NOTIFIED that pursuant to N.D.C.C. § 51-15-07 you may request a hearing before the Attorney General if such a request is made in writing WITHIN TEN (10) DAYS AFTER THE RECEIPT OF THIS ORDER. Respondents have the right to be represented by legal counsel at the hearing.

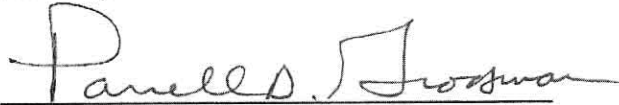
Dated this 26th day of May, 2010.

STATE OF NORTH DAKOTA

Wayne Stenehjem

Attorney General

BY:

A handwritten signature in black ink, appearing to read "Parrell D. Grossman", written over a horizontal line.

Parrell D. Grossman, ID No. 04684

Assistant Attorney General

Director

Consumer Protection and

Antitrust Division

Office of Attorney General

Gateway Professional Center

1050 East Interstate Ave. Suite 200

Bismarck, ND 58503-5574

(701) 328-3404